

## Message Text

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ACTION COME-00

INFO OCT-01 EA-11 ADP-00 CIAE-00 DODE-00 EB-11 FMC-04

INR-10 NSAE-00 RSC-01 CG-00 COA-02 AID-20 FRB-02

TRSE-00 XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01

L-03 IGA-02 RSR-01 (ADP) W

----- 057258

R 250840Z JUL 73

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 9116

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E.O. 11652: N/A

TAGS: BMEP, KS

SUBJECT: KSEC SHIPYARD AT OKPO

REFS: A. STATE 143220, B. SEOUL 4552, C. STATE 136708

D. SEOUL 4208, E. SEOUL 0591

SUMMARY: CABLE DISCUSSES U.S. SOURCE PROCUREMENT FOR  
KESC SHIPYARD; REQUESTS INFORMATION ON U.S.  
FIRMS INTERESTED.

1. REF A'S CLARIFICATION OF REF C IS APPRECIATED, AND  
EMBASSY AGREES THAT ACTION RECOMMENDED REF C SHOULD BE  
UNDERTAKEN AT APPROPRIATE TIME. SINCE EXIM BANK FINANCING  
REQUIRES USE OF U.S. GOODS AND SERVICES, HOWEVER, PROCUREMENT  
FROM NON-U.S. SUPPLIERS GENERALLY WOULD REQUIRE NEW FOREIGN  
FINANCING ARRANGEMENTS AND ROKG APPROVAL THEREOF. THIS  
WOULD SUBJECT PROJECT TO ADDITIONAL DELAY. PROJECT WAS  
ALREADY DELAYED FROM FEBRUARY WHEN, FOLLOWING EMBASSY'S  
FIRST CABLE (REF E) ON THIS OPPORTUNITY, NAMKOONG WAS  
INTERCEPTED BY MORGAN GUARANTY-EXIM BANK WHILE ON WAY TO  
LONDON TO ARRANGE U.K. LOAN FOR OKPO SHIPYARD. THEREFORE,  
U.S. SOURCE PROCUREMENT APPEARS TO BE IN NAMKOONG'S INTEREST,  
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ASSUMING U.S. FIRMS ABLE TO SUPPLY AT REASONABLY COMPETITIVE

PRICES. WE ASSUME KSEC WILL EXPECT RECEIVE QUOTATIONS FROM SEVERAL U.S. FIRMS, AND WOULD NOT COMMIT SELVES IMMEDIATELY.

2. WE PRESUME NAMKOONG AND KSEC PARTY CLEARLY UNDERSTOOD THAT \$72 MILLION LOAN PACKAGE CAN BE USED ONLY FOR U.S. ORIGIN GOODS AND SERVICES. IF ANY EXCEPTIONS POSSIBLE AND AUTHORIZED, PLEASE ADVISE.

3. OF ALL THE SHIPYARD VENTURES IN KOREA, KSEC HAS LEAST NEED FOR FOREIGN ENGINEERING BUT COMPANY HAS USED GERMAN CONSULTANTS IN PAST, HOWEVER, AND WOULD PREFER CONTINUE THIS RELATIONSHIP EXCEPT AS FORCED TO ACT OTHERWISE BY EXIM BANK REQUIREMENTS. WE AGREE THAT TURNKEY OPERATION IS DESIRABLE AND REITERATE THAT PARSONS AND ANY OTHER INTERESTED U.S. ENGINEERING FIRMS SHOULD MAKE STRONG EFFORT TO GET THIS BUSINESS. NAMKOONG APPRECIATES FIRMS WHICH APPROACH HIM DIRECTLY. MR. RICHARD DITTMAR AT PARSONS LOS ANGELES (213-629-2484) AND MR. MILTON ROTE AT PARSONS HONOLULU OFFICE (847-2061) VISITED KSEC AFTER MACHINERY CONFERENCE IN EARLY JULY AND ARE KNOWLEDGE-ABLE ON PARSONS' EFFORTS TO FOLLOW THROUGH WITH NAMKOONG. SUGGEST MPED CALL DITTMAR OR ROTE.

4. ACTION REQUESTED: WITH REFERENCE TO PARAS 2 AND 3 REF A, PLEASE CABLE COPY OF U.S. ENGINEERING COMPANY LIST PREPARED BY MARAD. ALSO PLEASE CABLE COPY OF SHIPYARD EQUIPMENT MANUFACTURERS LIST. THIS WILL ASSIST EMBOFF IN DISCUSSION WITH KSEC EXECUTIVE DIRECTOR IN SEOUL NOW AND WITH NAMKOONG ON HIS RETURN. WHILE PRECISE SPECIFICATIONS DIFFER FOR EACH PROJECT, SEOUL'S 4208 (REF D) INCLUDES GENERAL LIST OF EQUIPMENT NEEDED FOR ANY SHIPYARD PROJECT IN KOREA. WHAT WE NEED TO KNOW NOW IS NOT ONLY WHAT U.S. FIRMS ARE ABLE TO MAKE SUCH ITEMS (WHICH, AFTER ALL, CAN BE GUESSED AT FROM THOMAS' REGISTER) BUT ALSO WHICH ONES HAVE A REAL INTEREST IN OBTAINING EXPORT ORDERS NOW. SUCH INFORMATION WILL HELP US WORK TO MAINTAIN KSEC INTEREST, AS WELL AS ENCOURAGE USE OF U.S. GOODS/SERVICES IN OTHER SHIPYARD PROJECTS. IN THIS CONNECTION, INFORMATION GIVEN ON CRANE AND PLATE CUTTER SUPPLIERS IS APPRECIATED AND EMBASSY WILL PASS TO KSEC.  
HABIB

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SHIPBUILDING INDUSTRY, CONSTRUCTION EQUIPMENT, SHIPYARDS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 25 JUL 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** worrelsw  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973SEOUL04865  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** SEOUL  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1973/newtext/t19730711/aaaaaibx.tel  
**Line Count:** 99  
**Locator:** TEXT ON-LINE  
**Office:** ACTION COME  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
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**Review Action:** RELEASED, APPROVED  
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**Review Referrals:** n/a  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** KSEC SHIPYARD AT OKPO  
**TAGS:** BEXP, KS, XMB, KSEC  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005